

**FairPoint Cutover Monitoring
Status Report
The Liberty Consulting Group
1/14/08**

Overview of Monitoring Activities

The Liberty Consulting Group (“Liberty”) continued its cutover-monitoring activity during December and early January through continued observation of status calls, interviews with FairPoint and Capgemini personnel on selected topics, and analysis of documents and data provided by FairPoint and Capgemini. Liberty regularly attended the FairPoint/Capgemini program status meetings that are held weekly by teleconference. At these meetings, the FairPoint and Capgemini systems development program leaders discuss the status of systems development in each of the business functional areas (ordering, provisioning, billing, finance, human resources, etc.), systems testing, conversion of data obtained from Verizon, and business readiness (business process mapping, business policies and procedures, business rules and configurations, systems training). The status meeting participants identify and discuss any issues that may be delaying the program schedule and plan approaches to address these issues.

Liberty receives and reviews daily reports of systems testing results and status. Liberty has also attended occasional FairPoint/Capgemini meetings held to discuss significant changes in program strategy or schedule.

In addition to regular, weekly calls with Mike Haga, the FairPoint program leader, Liberty held separate teleconferences during December with representatives from the Capgemini testing team to discuss testing strategy, and with the FairPoint wholesale organization to discuss wholesale issues. Liberty also reviewed several documents received from FairPoint, the most significant of which are draft business process flow diagrams, documents on the status of staffing, updated use and test case descriptions, and the draft FairPoint disaster response plan.

During December, FairPoint began posting answers on its website to questions raised during the November 29 Wholesale User Forum in Portland. After reviewing these answers, Liberty found some to be incomplete or misleading and provided feedback to FairPoint about these.

Liberty continued to hold weekly status calls with representatives from the staffs of the Maine Public Utilities Commission, the New Hampshire Public Utilities Commission, and the Vermont Department of Public Service. On these calls, Liberty reports on developments during the week.

Overview of Status

1. Systems Development and Testing. The systems development work continues to be behind the original schedule, which assumed that the launch (close) systems would be

complete, fully tested, and implemented by January 31 and that the much more extensive independence (cutover) systems would be complete, fully tested, and implemented by a cutover date of May 30. Liberty noted in its last monthly report that it did not believe FairPoint could meet the May 30 cutover date. Since that report, FairPoint has revised its planned cutover date to July 31, with an irrevocable notice of readiness to be provided to Verizon by May 31, and has announced these changes to the regulators in the three states. Because the regulatory approval process has taken longer than originally anticipated, FairPoint has also revised the projected close date to February 29 for planning purposes.

Liberty has made the following observations about the systems development status:

- Build 4, which was originally the last planned systems release, is already complete and Capgemini was unable to include over 80 required functions in it. Capgemini will have to include these in future releases that were not part of the original plan.
- FairPoint has made progress in completing and signing contracts with various vendors that are necessary for completion of the systems development, including most of the Verizon contracts. However, approximately 25 contracts remain to be completed, and this fact is impeding the completion of systems development.
- As expected in a project of this nature, the systems testing process has uncovered systems defects that need to be fixed. However, some defects are taking longer than planned to fix, particularly in the ordering and provisioning areas.
- FairPoint and Verizon are still working through the process to assure that FairPoint receives all the information it needs to complete systems design and development. As an example, FairPoint still needs additional information on how Verizon provisions complex products.

Delays in the systems development have led to delays in the systems testing schedule, and currently Capgemini's systems testing is significantly behind the original schedule for the independence systems. In particular, testing of Build 3 is not yet complete and end-to-end testing has not yet begun. In addition, development of the necessary use and test cases is not complete, particularly those necessary for end-to-end testing.

In early January, Capgemini proposed a draft revised cutover systems development schedule, using the new planned close and cutover dates of February 29 and July 31, respectively, and a cutover readiness notification date of May 31. Some key features of this revised development schedule include:

- The functionality missing in Build 4 will be included in two "dot" releases, Build 4.1 and Build 4.2, to be completed on February 1 and February 29, respectively.
- Inclusion of different product configurations will be accomplished through five dot releases, the last of which will not be complete until April 25.

- End-to-end testing will begin February 15 and continue until May 23.
- Performance testing will begin in mid-March and will continue until late June.
- Live CLEC testing will begin March 14 and continue until May 31.
- Some “operational readiness” testing is not scheduled until after May 31 (when FairPoint is scheduled to issue its notice of cutover readiness).

Although there are a number of details that still need to be worked out in this schedule, Liberty observes that it is still very aggressive and includes some potential inconsistencies, such as the launch of end-to-end and CLEC testing before the product configurations are complete and the plan for operational readiness testing after FairPoint provides the notice of cutover readiness.

2. Business Processes. The mapping of business processes and the development of business procedures is still not complete. In addition, Liberty has reviewed those business process maps that are relatively complete, and many are still missing key processes.

In mid-December FairPoint provided a copy of its draft disaster recovery plan to Liberty. Liberty has reviewed this plan and finds it to be comprehensive in that it appears to address the important business operations and contingencies. Furthermore, some portions of the plan are relatively complete, such as that for the information systems. However, other portions are still under development and need much detail to be added. For example, FairPoint still needs to complete negotiation of a mutual aid agreement with other carriers, and, related to this, FairPoint needs to provide considerably more detail on its plans for addressing inside and outside plant issues in the event of disasters.

3. Personnel and Training. Liberty has nothing significant to report on personnel. Training plans appear to continue to be developing relatively smoothly.
4. Cutover Readiness Criteria. FairPoint and Capgemini have still not completed development of cutover readiness criteria, either those related to systems testing or those related to business process readiness. Given Capgemini’s new proposed schedule, it is not likely that the systems readiness criteria can be complete before mid-February because it appears that the details of the end-to-end testing will not be finished until then. However, Liberty plans to meet with FairPoint and Capgemini later in January to try to move this process along.

Evaluation of Status

Given the systems development delays they are experiencing, FairPoint and Capgemini have revised the projected cutover date from May 30 to July 31. Their new plans also assume a new close date of February 29. However, the new schedule Capgemini has proposed that includes these new dates is still very aggressive and continues to include inconsistencies between the development, systems testing, and cutover readiness dates.

Unless the project goes considerably more smoothly than it has so far, Liberty doubts that FairPoint can meet a July 31 cutover date.

Liberty notes the following specific concerns that represent risks either for successful FairPoint cutover or of Liberty's cutover monitoring:

- FairPoint still needs to complete and sign contracts with several vendors, which continues to impede systems development.
- Capgemini does not plan to complete development of a number of systems functions until February 29.
- Systems testing is behind schedule and end-to-end testing is not scheduled to begin until mid-February.
- FairPoint has developed a good first draft of its Disaster Recovery Plan, but there are a number of details that still need to be worked out. This plan needs to be in place by close so that FairPoint can effectively respond to potential events that could cause significant loss of service.
- FairPoint and Capgemini have not yet completed development of cutover readiness criteria.
- Given the lack of cutover readiness criteria, Liberty has insufficient information to complete its report assessing FairPoint's testing and cutover readiness process and criteria. Liberty estimates that it will not be able to do so until at least mid-February.